

Minneapolis City of Lakes

Office of the Mayor

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LETTER OF TRANSMITTAL

Dear City Council:

We are submitting to you revisions to the City of Minneapolis' 2010 Budget, which reflect the recently adopted cuts to the Local Government Aid (LGA) and Market Value Homestead Credit programs. Early action will allow City leadership as much time as possible to implement the reduced spending levels and help minimize the impact on our employees.

The attached document reflects cuts and other adjustments to the 2010 budget. This document includes a summary of the reductions the individual departments will make to address the implications of the cuts on the services they provide. These recommendations strive to avoid additional personnel reductions at this point in time.

Long-Term Financial and Results Planning

The City's long-term financial planning has taught us the value of aligning our spending and revenue over the long term. These financial policies, and the strong work on linking resources to results through *Results Minneapolis*, have given us much better information upon which to base our decisions. Although planning has been incredibly difficult in these uncertain times, we must strive to build upon the work that we have done.

These recommendations include the use of one-time resources to meet the adopted reductions, which I would not normally support in the regular annual budget process. In a supplemental budget, this is a reasonable reaction to rapidly changing state budget situation. This will provide City departments additional time to plan for the 2011 budget to ensure that any personnel eliminations proposed as a part of that process are done so strategically in order to restructure the services departments provide. This budget also includes the strategic use of one-time resources to further long-term restructuring of the City's workforce.

I look forward to working with you in the upcoming weeks and months to address the City's financial challenges.

Respectfully Submitted,

Mayor R. Rybak